



2020 HALF-YEAR RESULTS

19.08.2020

REPOWER
All the energy you need.

First half at a glance

Positive results, but challenges remain



OPERATING ENVIRONMENT/MARKET

- Covid-19 dominates daily business in CH and IT
- Energy prices
- Development of EUR/CHF rate
- Extraordinary performance from Teverola
- Volatile market environment



STRATEGY

- Strategy executed systematically, with a focus on efficiency and profitability
- Company continues to develop in terms of digital and products/services
- New renewables in Italy expanded further
- Work commences to completely renovate Robbia plant
- Diverse projects to enhance grids and lay lines underground



RESULTS

- Very gratifying operating income in what is traditionally the stronger half year
- Very solid capital base
- Margins remain under great pressure
- Uncertainty resulting from Covid-19 will remain in H2
- No forecast of operating income for full 2020 financial year

First half at a glance

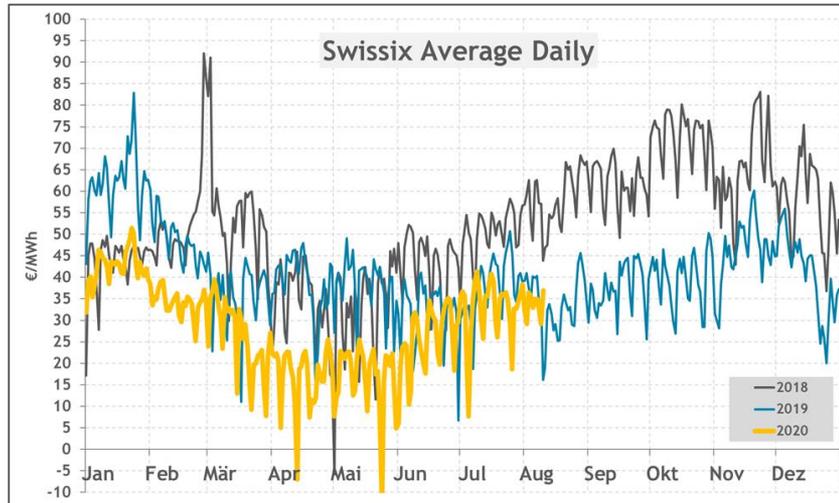
Market environment: Covid-19 and slump in energy prices dominate the agenda

- Repower responded early and rapidly to the coronavirus crisis in CH and IT
- Continuity of all business processes and security of supply were never in jeopardy; internal safety arrangements and measures proved effective
- The digitalisation of processes, already far advanced before Covid-19, enabled Repower to continue operating seamlessly even with staff working from home
- Despite a sharp decline in energy demand in the marketplace, Repower posted very gratifying half-year results

First half at a glance

Market environment: volatility continues in first six months of 2020

Overview of delivery prices

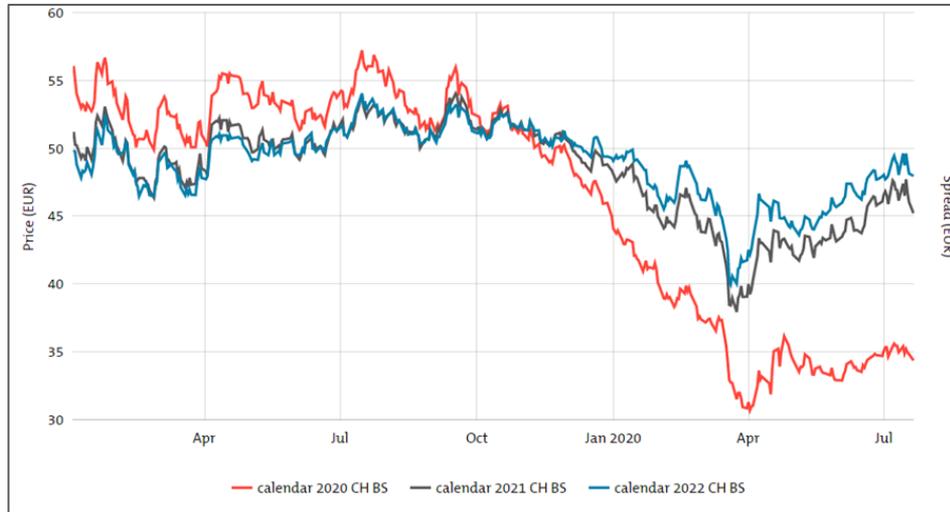


- Trend negative overall since 4Q19
- Electricity prices slumped 40% during phase of coronavirus
- Slightly positive recoveries for 2021/22
- But prices still at low level
- Volatility remains high

First half at a glance

Market environment: volatility continues in first six months of 2020

Overview of 2020 forward market prices



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- Electricity prices slumped 40% during phase of coronavirus
- Slightly positive recoveries for 2021/22
- But prices still at low level
- Volatility remains high

Highlights

Good performance from Market Switzerland



Technical solutions & contracts for third parties

- Despite coronavirus, construction work for the project to renovate the Robbia plant could commence with only a slight delay
- Work to lay lines underwater in Lej da Champfèr (Engadine) completed successfully
- Diverse projects to enhance grids and lay lines underground, also in Surselva
- Ongoing projects such as work to expand the Pradella switching station and the one-stop Mendrisio contract are on track

Highlights

Energy market feels effects of Covid-19



Energy supply and energy products

- Energy supplied to utilities and large consumers for 2020 gives grounds for optimism
 - Around 2.3 TWh in Market Switzerland in 1H20
- Balance group management still positive
- Solid foundation in basic supply, and only relatively minor decline in demand from market customers

Highlights

Decisive progress in stepping up partner strategy



EVUlation AG

- EVUlation AG established with six other energy companies
- Ongoing development of SMARTPOWER, EASYASSET and ENERGYBOARD will be under the auspices of EVUlation AG
- Product management, marketing and communications currently provided by Repower on behalf of partners

Highlights

Solid contribution to earnings from trading; market access very positive



Trading

- Pandemic has also had major impact on electricity market, with prices in first six months around 50% below expectations
- Thanks to a good, prudent hedging strategy, value of Repower's portfolio remains positive
- Market offers opportunities even in extraordinary situations: market access made a very positive contribution
- Tailormade offerings for customers still in great demand

Highlights

Italian market again exceeds expectations (1/2)



Teverola plant

- Ancillary services at a high level
- Extraordinary situation facilitates good margins

Sales business

- Digital sales channel for SME customers proves its worth
- Covid-19 increase in late payments less than generally expected and currently under control

Italian market exceeds expectations (2/2)



Repower Renewable

- Repower Renewable expands capacity, acquiring further photovoltaic installations with installed capacity of 14.3 MW

Electric mobility

- Very positive response to Repower's third White Paper on electric mobility
- Cooperation with Fantic Rent around electric two-wheelers

Highlights of 1H20

Operating results particularly benefit from Teverola

- 1H20 results again better than very good 1H19
 - Teverola very good in 2019, but even better in 2020, with the biggest year-on-year difference
 - Declining demand and lower prices result in lower total operating revenues
 - Exhaustion of loss carryforwards results in higher tax burden in Italy
 - Given traditional seasonality of energy business, H2 unlikely to be as strong
- In Switzerland, despite coronavirus-related adversity and low market prices, good contributions from generation and supply; trading suffering in current environment
- In Italy earnings driven by Teverola and good margins in gas and energy business, and compensate for losses on customer side
- Corporate Centre costs still under control and declining slightly

Highlights of 1H20

Operating income substantially higher than prior year

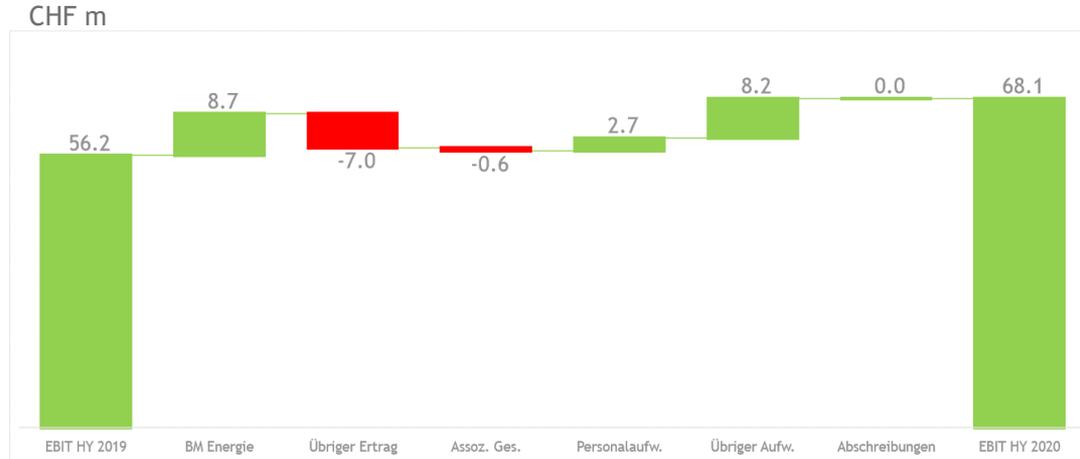
CHF m	HY 2020	HY 2019
Total operating revenue	843	1,018
Gross margin (energy)	165	157
EBITDA	93	81
EBIT	68	56
Group earnings	41	49
FFO (funds from operations)	119	75
CFO (cash flow from operating activities)	64	108
Investments*	54	21
FFO/net debt**	<0%	<0%
Net debt/EBITDA	-0.3	-0.2
Equity ratio	47%	47%
No. of employees on 30 June (FTEs)	546	578

*Includes investment in tangible assets, intangible assets and associates, and investment-type loans

**Net debt running at CHF -30.9 m (prior year CHF -34.7 m)

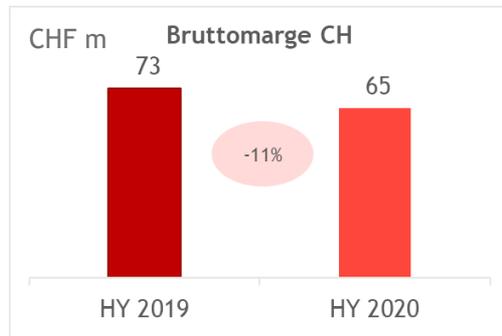
Comparison with prior year

Gross margin and cost sharing boost earnings



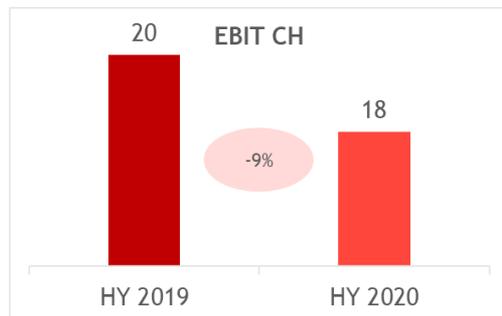
- BM (Balancing Management) energy and other income: Teverola posts even better results than in prior year. Prior year earnings included insurance payments for downtime at Teverola
- Prior year personnel expense included esolva. On track overall
- Other expenses: reduced, partly because costs of product development shared with partners

Improvement in gross margin despite lower level of prices on the electricity market



Gross margin down on prior year

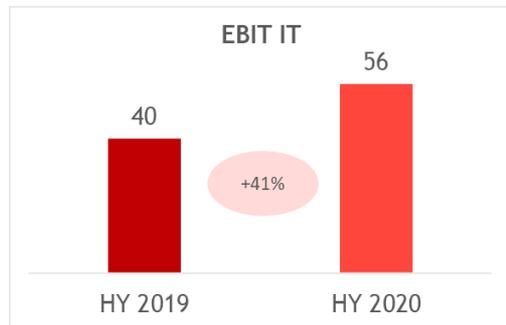
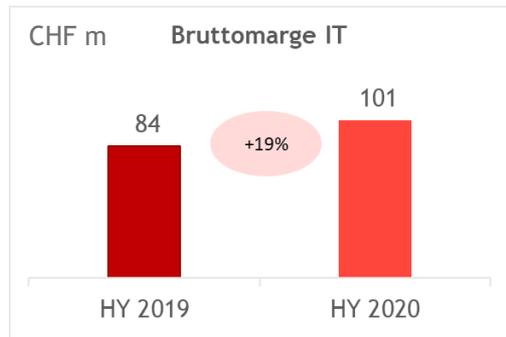
- Decline in margins on speculative trading and asset optimisation
- Margins reflect lower level of prices on the electricity market
- Slimmer margin on basic supply business
- Volumes generated higher than prior year; margin supported at KEV/EVS assets



Operating income better than margin would suggest

- General cost-awareness and sharing of part of product management costs offset lower gross margin to some extent

Deployment of Teverola has positive impact on results



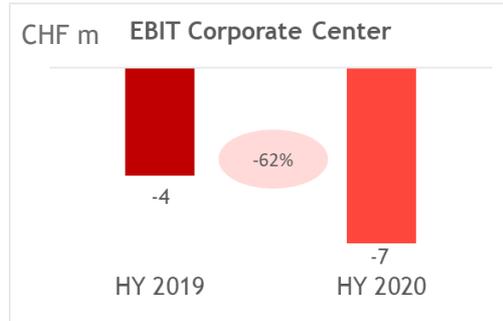
Gross energy margin again better than expected

- Margins on sales of electricity and gas under pressure from Covid-19
- Trading margin much better than expected, primarily thanks to deployment of Teverola
- Sales organisation hard hit by lockdown; sharp decline in demand

Ancillary services margin makes the crucial difference versus prior year

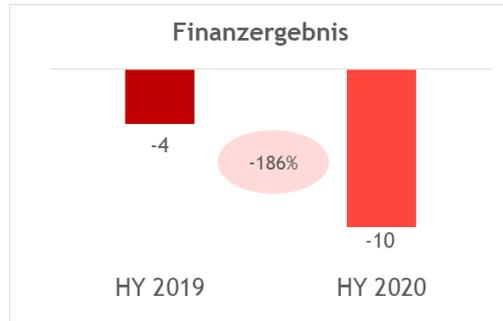
- Positive result, well above expectations, thanks to permanent deployment of Teverola combined cycle gas turbine plant
- Provisions made, primarily for late payments

Increase in operating expense, depreciation and amortisation



Decline in half-year EBIT owing to charges/cost sharing

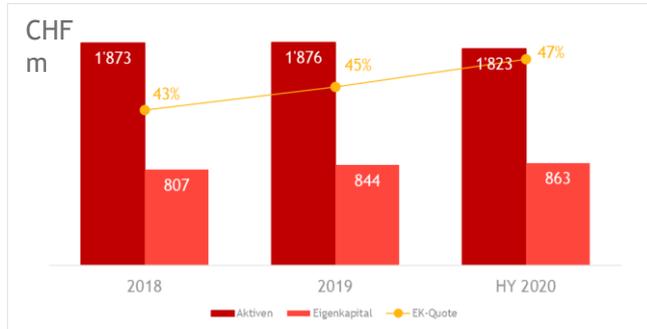
- Prior year saw higher trademark fees to Italy
- Operating costs in all areas of Corporate Centre currently in line with or below expectations



Financial results remain volatile owing to one-time transactions

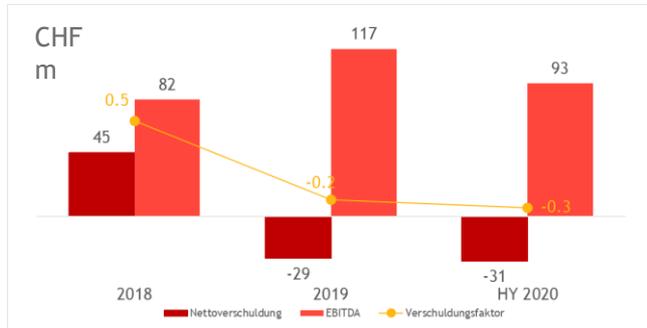
- 1H19 with reversal vs 1H20, with minor impairment
- Interest rate swaps released, with small negative impact on results
- Translation effect less pronounced than prior year

Equity ratio and net debt to EBITDA underscore healthy balance sheet structure



Equity ratio constant at a high level

- 47% equity ratio above target range of 35% to 45%, with comfortable balance sheet assets



Net debt

- Business performance and adequate appetite for investment keep net debt low

Net debt to EBITDA remains below zero

- Thanks to negative net debt, the net debt to EBITDA ratio is running at -0.3

Outlook (1/2)

Market focus in 1H20



- Assure optimum operation and management of core business despite Covid-19
- Drive various projects forward (renovation of Valposchiavo cascade, grid renovation in Silvaplana and Surselva)
- Clear boost to electric mobility
- Further development of EVUlation AG
- METAS certification for SMARTPOWER



Second half-year dominated by persistent uncertainty around Covid-19



- Pressure on margins will remain a challenge
- Impact of Covid-19 hard to predict
- EUR/CHF rate is the volatile unknown quantity
- Comfort from very solid capital base
- Given continued uncertainty around Covid-19, no forecast of operating income for full 2020 financial year

Agenda

Next dates in the financial agenda

- Analyst and investor conference: 27 October 2020
- Information on 2020 results: 8 April 2021
- 2021 annual general meeting: 19 May 2021



MANY THANKS

**FOR YOUR
INTEREST!**

REPOWER
All the energy you need.